

9658 Budget Stabilization Account

Proposition 58, as approved by the voters in March of 2004, established the Budget Stabilization Account (BSA), and requires the State Controller to transfer a specified percentage of estimated General Fund revenues from the General Fund to the BSA. The Legislature may transfer, by statute, amounts in excess of the specified percentage to the BSA. In addition, the Governor, by executive order, may suspend the transfer to the BSA. Half of the funds transferred to the BSA will be used to retire Economic Recovery Bonds authorized in Proposition 57 (March 2004).

FUNDING	2007-08*	2008-09*	2009-10*
0001 General Fund	\$1,022,621	\$-	\$-
1011 Budget Stabilization Account	<u>-1,022,621</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES, ALL FUNDS	\$-	\$-	\$-

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

Section 20, Article XVI of the Constitution of the State of California.

Control Section 35.50, Budget Act.

Control Section 35.60, Budget Act.

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - Proposition 58, as passed by the voters March 2, 2004, established the Budget Stabilization Account (BSA) and requires the Controller to transfer a specified percentage of General Fund revenues, no later than each September 30, from the General Fund to the BSA as follows:

- For fiscal year 2006-07, one percent of estimated General Fund revenues.
- For fiscal year 2007-08, two percent of estimated General Fund revenues.
- Annually thereafter, three percent of estimated General Fund revenues.

Additionally, the Legislature may, by statute, direct the Controller to transfer into the BSA amounts in excess of the specified percentages. The Constitution also authorizes the Governor to reduce or suspend this transfer for any fiscal year by executive order prior to June 1 of the preceding fiscal year. The transfer of moneys is not required in any fiscal year to the extent that the balance in the BSA would exceed five percent of the General Fund revenues estimate set forth in the budget bill for that fiscal year, as enacted, or eight billion dollars (\$8,000,000,000), whichever is greater. In each fiscal year, 50 percent of the funds transferred to the BSA, up to \$5,000,000,000 in the aggregate, is to be deposited in the Deficit Recovery Bond Retirement Sinking Fund Subaccount and continuously appropriated to the Treasurer to supplement the retirement of Economic Recovery Bonds approved by the voters at the same election. Other funds in the BSA may be transferred back to the General Fund by statute.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

4 UNCLASSIFIED	2007-08*	2008-09*	2009-10*
0001 General Fund			
APPROPRIATIONS			
Proposition 58, 2004 Article XVI, Section 20 (Transfer to Budget Stabilization Account)	<u>\$1,022,621</u>	<u>\$-</u>	<u>\$-</u>
TOTALS, EXPENDITURES	<u>\$1,022,621</u>	<u>\$-</u>	<u>\$-</u>
TOTALS, GENERAL FUND EXPENDITURES	\$1,022,621	\$-	\$-
1011 Budget Stabilization Account			
APPROPRIATIONS			
Less Funding Provided by the General Fund	<u>\$-1,022,621</u>	<u>\$-</u>	<u>\$-</u>
TOTALS, EXPENDITURES	<u>\$-1,022,621</u>	<u>\$-</u>	<u>\$-</u>
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$-	\$-	\$-

FUND CONDITION STATEMENTS

	2007-08*	2008-09*	2009-10*
1011 Budget Stabilization Account [§]			
BEGINNING BALANCE	\$471,770	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			

* Dollars in thousands

9658 Budget Stabilization Account - Continued

	2007-08*	2008-09*	2009-10*
Transfers and Other Adjustments:			
FO0001 From General Fund per Article XVI, Section 20 of the California Constitution	1,022,621	-	-
TO0001 To General Fund per Control Section 35.60, Budget Act of 2007	-1,494,391	-	-
TO3090 To Deficit Recovery Bond Retirement Sinking Fund Subaccount, BSA per Article XVI, Section 20(f) of the California Constitution	-1,022,621	-	-
Total Revenues, Transfers, and Other Adjustments	<u>-\$1,494,391</u>	<u>-</u>	<u>-</u>
Total Resources	<u>-\$1,022,621</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9658 Budget Stabilization Account (Unclassified)	<u>-1,022,621</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>-\$1,022,621</u>	<u>-</u>	<u>-</u>
FUND BALANCE	-	-	-

* Dollars in thousands